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TAGS: [PGOV](#) [PREL](#) [GG](#)
SUBJECT: GEORGIA: NEW PM MAY HAVE A SHORT TENURE

Classified By: CHARGE D'AFFAIRES KENT LOGSDON FOR REASONS 1.4 (b) AND (d).

¶1. (C) Summary and Comment. President Saakashvili announced on October 27 the resignation of Lado Gurgensidze from the post of Prime Minister and his nomination of Grigol Mgaloblishvili to the position. Gurgensidze's departure had been expected for many months, but the appointment of Mgaloblishvili caught nearly everyone in Tbilisi by surprise. Mgaloblishvili is a 35-year-old career diplomat who has most recently served as the Georgian Ambassador to Turkey. Tbilisi's elite are already predicting a short tenure for the new PM and further changes to the cabinet are expected to be announced before November 7. End Summary and Comment.

VICE SPEAKER SPEAKS (MOSTLY) HIGHLY OF NEW PM

¶2. (C) Vice Speaker of the Parliament Gigi Tsereteli told poloff that Mgaloblishvili's appointment would be well-received in the Parliament. He brought no political baggage with him and no visible party loyalties beyond those to the President. He described Mgaloblishvili as agreeable and "handsome." When questioned, Tsereteli acknowledged he wanted to stress the positive. He said that Mgaloblishvili was considered a strong diplomat but would not represent a threat to any of the incumbent minister on a policy level.

¶3. (C) Tsereteli said that he had known the Prime Minister-nominee for many years, since they had grown up in the same neighborhood (the Vake district of Tbilisi). Tsereteli said that he had been approximately seven years ahead of Mgaloblishvili but knew him as a smart and capable student. Mgaloblishvili came from an intellectual family and his grandfather was a well-known ear, nose and throat specialist who had treated Tsereteli as a young person. He said that despite his age (he is 35), Mgaloblishvili has served with distinction in Turkey, working closely with a traditional government.

SAKASHVILI'S DECISION-MAKING

¶4. (C) The Vice Speaker said that President Saakashvili was still deciding whom to nominate as late as mid-day on October 27 and only made his decision late in the day. One well-placed business contact told us that Saakashvili considered Tbilisi Mayor Gigi Ugulava and Minister of Finance Nik Gilauri for the PM job, but decided that each were needed on their current portfolios. Many of his closest advisors were surprised by the decision to nominate Mgaloblishvili. Tsereteli said that the timing of the nomination was partly designed to deflate calls for public demonstrations on November 7. Saakashvili's timing eclipsed former Speaker of the Parliament Nino Burjanadze's announcement that she was launching her own political party "Democratic Movement - United Georgia." Tsereteli said that according to the Constitution, Mgaloblishvili was required to meet with the Parliament and propose a new cabinet within ten days.

REACTION FROM BUSINESS LEADERS

¶5. (C) Several key business leaders told us that they were frustrated by the timing of the announcement (made during the visit of Deputy Secretary of Commerce John Sullivan) but

otherwise were not concerned about the nomination. Some speculated that Mgaloblishvili was a placeholder for Saakashvili's intended nomination of Tbilisi Mayor Ugulava. Some business leaders knew the new PM-nominee from Turkey and spoke highly of his work. Universally, our interlocutors told us they expected additional cabinet changes shortly. QNona Tordia, Chairman of the Tbilisi Aircraft Factory, described herself as a life-long friend of Mgaloblishvili's family and said that she had not known him to have political aspirations and was surprised by the nomination.

FUTURE PLANS FOR GURGENIDZE?

16. (C) Gurgenedze did not attend an October 27 reception with the visiting Commerce delegation, but sent a text message to one attendee saying, "freedom." He has told Embassy officers frequently during the last several months that he wanted to return to the private sector. He is expected to continue to coordinate donor assistance to Georgia via a new executive branch commission. Rumors suggest he may return to the Bank of Georgia or establish his own fund.

LOGSDON